

STATE OF MISSOURI

THIRTEENTH *and* FOURTEENTH
ANNUAL REPORTS

OF THE

PUBLIC SERVICE COMMISSION

FOR YEARS ENDING NOVEMBER 30, 1925,
AND NOVEMBER 30, 1926

COMMISSIONERS:

THOMAS J. BROWN, *Chairman*,
ALMON ING,
D. F. CALFEE,
S. M. HUTCHISON,
J. H. PORTER.

JEFFERSON CITY, 1926.

MISSOURI PUBLIC SERVICE COMMISSION

Commissioners:

THOMAS J. BROWN, Charleston, Chairman;
ALMON ING, Poplar Bluff,
D. F. CALFEE, Jefferson City,
S. M. HUTCHISON, Kansas City,
J. H. PORTER, St. Louis.

General Office:

JOHN W. CAMPBELL, Stockton, Secretary;
JOHN T. SANDISON, Huntsville, Reporter of Opinions (until
June, 1925),
MARY FIDLER, Salisbury, Executive Clerk,
MRS. ETHLYN KATZER, Jefferson City, File Clerk,
RUTH HILBURN, Webb City, Stenographer,
MRS. MARY LUTKEWITTE, Jefferson City, Stenographer.

Legal Department:

D. D. McDONALD, Lebanon, General Counsel,
J. P. PAINTER, Milan, Assistant Counsel,
LILLIAN PAINTER, Milan, Stenographer.

Engineering Department:

J. L. HARROP, Jefferson City, Chief Engineer,
W. K. FREUDENBERGER, Columbia, Assistant Engineer,
E. E. TOWLES, Jefferson City, Assistant Engineer,
B. F. SCHABERG, St. Louis, Assistant Engineer,
F. M. PLAKE, Kansas City, Assistant Engineer,
J. E. FLANDERS, Paris, Assistant Engineer,
MARGUERITE GILLOGLY, Warsaw, Stenographer.

Railroad Department:

V. E. SMART, Jefferson City, Chief Rate Expert,
VIOLET JAMES, Sedalia, Stenographer.

Accounting Department:

T. J. MURPHY, St. Louis, Chief Accountant,
H. B. LYSAGHT, St. Joseph, Assistant Accountant,
A. L. HOULEHAN, St. Louis, Assistant Accountant,

GEO. B. COLEMAN, St. Louis, Assistant Accountant,
H. W. ROSS, St. Louis, Assistant Accountant,
MRS. C. S. SCHRIMPF, Jefferson City, Stenographer.

Electric Light, Gas, Heat and Water Department:

R. E. DUFFY, Greenfield, Chief Electric and Mechanical Engineer,
FRIEDA HOFFMEYER, Jefferson City, Stenographer,

Telephone and Telegraph Department:

W. W. JOHNSON, Kansas City, Telephone Expert,
MRS. EDITH HAMMEN, Jefferson City, Stenographer.

Official Commission Reporters:

GERTRUDE NELSON, Jefferson City,
EVA CORLISS, Branson,
ANDY RICHMOND, Jefferson City, Janitor,
ORDEN BALLANCE, Jefferson City, Janitor.
GENERAL OFFICES: First Floor Capitol Building, Jefferson City, Mo.

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LETTER OF TRANSMITTAL

STATE OF MISSOURI

Public Service Commission.

Jefferson City, Mo., December 1, 1926.

To His Excellency, SAM A. BAKER, Governor of Missouri:

Dear Sir: I have the honor to transmit the Thirteenth and Fourteenth Annual Reports of the Public Service Commission of Missouri, covering the biennium from November 30, 1924, to November 30, 1926, inclusive.

Very respectfully yours,
T. J. BROWN, Chairman.

STATE OF MISSOURI

13th AND 14th ANNUAL REPORTS OF THE

PUBLIC SERVICE COMMISSION

Statement by the Commission:

The personnel of this Commission has undergone some changes during this biennial period. Almon Ing was appointed to fill out the unexpired term of Merrill E. Otis, who resigned from the Commission August 15, 1924. Dudley F. Calfee was appointed to fill out the unexpired term of Andrew J. O'Reilly; Samuel M. Hutchison for a full term, succeeding Richard H. Musser, and John H. Porter for a full term, succeeding Edwin J. Bean; the latter two being the Democratic members of the Commission. Almon Ing of Poplar Bluff, Butler County, Missouri; Dudley F. Calfee, Jefferson City, Cole County, Missouri; Samuel M. Hutchison, Kansas City, Jackson County, Missouri; and John H. Porter of the City of St. Louis, Missouri. Thomas J. Brown of Charleston, Mississippi County, Missouri, was appointed in June, 1923, by Governor Hyde, and reappointed by your Excellency in January, 1925, and is the only Commissioner that was a member of the Commission at the time of the last published report.

The Commission, since November 30, 1924, has made formal reports and orders in 812 cases, and has had filed 838 formal cases. Some of the cases filed in this period are pending by reason of continuances requested, or awaiting valuations. Some have been adjusted and dismissed, but the greater number of cases are awaiting sufficient length of time for answer to be filed, that the required notice may be given before hearing can be had, and in addition, the Commission has issued many orders in respect to pending matters, not covered in the list of formal reports and orders.

Our informal cases, those handled by correspondence, conference, etc., covering this period, are 577, 523 of which have been disposed of, leaving 54 pending.

One of the outstanding accomplishments of the Commission was the order cancelling the proposed freight rates involved in schedules filed before this Commission and the Interstate Commerce Commission by railroads south of the Missouri River in what is known as the Southwest territory. The rates proposed in these schedules, in some instances, amounted to as much as 40% increases. The rates proposed therein were for movements of Less Carload shipments, and the general average was about 17% increase. If they had gone into effect, it would have cost the shippers an estimated increase in freight rates of more than \$1,000,000.00 per annum. This Commission undertook the burden of making proof of the unreasonableness of these proposed class rates. Hearing was had by the Interstate Commerce Commission in Kansas City, and argument of the same in Washington City, in which hearing and argument this Commission sat with the Interstate Commerce Commission. We think that the record made in this case by the shippers and the Commission, resulted in one of the most complete presentations of law and fact made to these Commissions during the history of this Commission. It was so complete and the result so outstanding in its benefits to the shippers, that this Commission was complimented by the Kansas Commission, as well as many interested shippers. The order cancelling these proposed schedules was based on the showing that to do so was fair to all concerned, and particularly to the carriers.

This Commission has drafted its General Order No. 24 in compliance with the law passed at the last General Assembly, which provides for safe clearances for railroad structures. This order is rather voluminous and required considerable time in investigation, conference, preparation, etc. The Commission undertook, by General Order, to provide for clearances, both vertical and horizontal, so that the structures could be made without application and order in every case, thereby saving both time and money to the parties interested and to the Commission.

The Commission, during this period has investigated and passed upon issues of par stock, notes and bonds in excess of \$115,000,000 and non par stock exceeding 300,000 shares. In addition to this, much work has been done in making audits and valuations of utility properties for rate making purposes. Among the larger companies involved in these audits and appraisals are the Laclede Gas Light Company, Southwestern Bell Telephone

Company, Union Electric Light and Power Company, Missouri Power and Light Company, Missouri Gas and Electric Company, Joplin Water Works Company, West St. Louis Water and Light Company and City Light and Traction Company, Sedalia.

The Commission has been able to secure reductions in electric rates for approximately 200 communities, and reductions in gas rates for approximately 12, and has adjusted by correspondence and conference, more than 150 complaints regarding the rates for service of water, gas and electricity.

This does not include railroad rate reductions, amounting in the aggregate to several hundred thousand dollars.

The Commission, in most instances, first asking conference with the manager and operators of the utility involved, in which conference the valuation of the utility property, with a reasonably fair return, was presented by the Commission, and in each case, it goes without saying, that the public received the immediate benefits, not having to await the institution of proceedings and the conducting of hearings which would have happened, thereby postponing these benefits, varying in time from six months to years.

These economies to the people, while the most easily comprehended of the service rendered by the Commission to the state, should, by no means, be considered the chief service rendered during the time covered by this report. The cost of the utility service is, of course, important to the public, but no more so than the quality of service.

At the present time, and in the large cities more particularly, the comfort and convenience of practically every family depends upon the existence and certainty of the service rendered by public utilities. The importance of having some Governmental agency with power to regulate both cost and quality of service and the continuity thereof, is easily understood. This function is discharged solely by the Public Service Commission in this state. The number of decisions and orders made, and the number of complaints filed, do not fully indicate the Commission's importance to the people. The fact that it has this duty to discharge and is vested with authority to enforce its orders and decisions, is a compelling force for adequate and efficient utility service. The self-interest of the utility should be sufficient, and in the main, does secure efficient service and fair and courteous dealing with its consumers, yet the existence of this department,

where any citizen may, without expense, present such complaint as he may have against any utility company that does or should serve him, having the assurance that his complaint will be given careful and immediate attention, serves as a strong factor in maintaining that service at all times which is adequate and efficient.

In this connection, the Commission is now and has been making an earnest effort to acquaint the people of the state with the right which any citizen has, to file application for better, more adequate and efficient service, or complaint for discourteous treatment of any kind, with the Commission, and with the fact that the Commission is anxious and willing to discharge its duty in this particular, thoroughly and speedily. It is true that but few days pass without some misunderstanding between the public utility and its customers being adjusted.

The Commission not only has jurisdiction over rates and service, but is charged with the duty of supervising stock and security issues of the public utilities in the state; therefore no utility corporation can issue notes, stock or bonds, without the Commission's consent and approval. The Commission therefore, should and does thoroughly investigate the utility's financial condition, asking its approval and consent, for the purpose of determining whether or not the property and earnings of such utility will support the securities or stocks to be issued. The Commission, in its orders approving issuance of securities and stocks by public utilities, requires the utility to furnish detailed reports, showing the actual disposition of the proceeds received from these issues. The purpose of this being required, is to prevent the attendant evils of over-capitalization.

It being necessary that the Commission confine itself within the limits of its appropriation, and in order that it might keep safely within its funds, at the early part of this biennium, it inaugurated an economical policy, as follows: by dispensing with some of its needed employees, removing telephones from some of its departments, in the use of a hectograph machine, in the preparation of documents that should have been printed, for some of its permanent files; the holding of many of its hearings at its office in Jefferson City, which otherwise would and should have been held in the vicinity of the matters involved, where the interested parties and witnesses are accessible, and at the place, which has been found, in most instances, to be highly advisable, and the most satisfactory place for such hearings; but

it being impossible to follow this rule and remain within the funds available. It has also of necessity been forced to forego several applications for audits, appraisals and investigations due to this situation. Notwithstanding this restricted appropriation, the volume of business transacted has equalled, if not surpassed, that of any like period in the history of the Commission. By means of this program, together with recent collections, it is enabled to return some \$14,000 of its available funds, but in so doing, it cannot refrain from saying that this saving has been at the expense of needed service to the public.

The reports of the separate departments of the Commission are hereto appended and made a part of this report.

HISTORICAL.

Appointments—Time of Service of Each Commissioner—Membership of the Commission to December 1, 1926.

The law creating the Missouri Public Service Commission was introduced in the legislature by Senator William G. Busby, of Carroll County, and became effective April 15, 1913. By its provisions the Commission shall consist of five (5) members to be appointed by the Governor, with the advice and consent of the Senate, one of whom shall be designated by the Governor to be Chairman of the Commission. One of said Commissioners shall hold office for two years, two shall hold office for four years and two shall hold office for six years; that upon the expiration of each of said terms each Commissioner thereafter appointed shall hold office for a term of six years from the beginning of their terms. Vacancies in said Commission shall be filled by the Governor for the unexpired term.

Effective April 15, 1913 there were appointed:

FRANK A. WIGHTMAN, railroad expert, of Monett, Mo., for a term of two years, ending April 15, 1915.

JOHN KENNISH, lawyer, of Kansas City, Mo., for a term of four years, ending April 15, 1917.

HOWARD B. SHAW, electrical engineer, of Columbia, Mo., for a term of four years, ending April 15, 1917.

JOHN M. ATKINSON, lawyer, Chairman, of Doniphan, Mo., for a term of six years, ending April 15, 1919.

WILLIAM F. WOERNER, lawyer, of St. Louis, Mo., effective July 3, 1913, for a term ending April 15, 1919.

WILLIAM F. WOERNER, resigned, effective November 18, 1914; and EDWIN J. BEAN, lawyer, of DeSoto, Mo., effective November 19, 1914, was appointed for the unexpired term ending April 15, 1919.

FRANK A. WIGHTMAN, resigned, effective April 24, 1915; and

EUGENE MCQUILLIN, lawyer, of St. Louis, Mo., effective April 24, 1915, was appointed for a term ending April 15, 1921.

JOHN M. ATKINSON, Chairman, resigned, effective May 1, 1916; and WILLIAM G. BUSBY, lawyer, of Carrollton, Mo.,

effective May 1, 1916, was appointed for the unexpired term, ending April 15, 1919, and named Chairman of the Commission.

EUGENE MCQUILLIN, resigned, effective February 21, 1917; and

*DAVID E. BLAIR, lawyer, of Joplin, Mo., effective February 26, 1917, was appointed for the unexpired term, ending April 15, 1921. Resigned August 23, 1920, effective immediately.

NOAH W. SIMPSON, lawyer, of LaBelle, Mo., effective April 15, 1917, was appointed for a term ending April 15, 1923, vice John Kennish, whose term had expired.

EDWARD FLAD, civil engineer, of St. Louis, Mo., effective April 15, 1917, was appointed for a term ending April 15, 1923, vice Howard B. Shaw, whose term had expired. Resigned, effective October 11, 1921.

A. J. O'REILLY, civil engineer, of St. Louis, Mo., effective October 11, 1921, was appointed for the unexpired term ending April 15, 1923.

JOHN KENNISH, lawyer, of Kansas City, Mo., effective August 23, 1920, was appointed for the unexpired term ending April 15, 1921. Resigned, effective December 1, 1920; and

JOHN A. KURTZ, lawyer, of Kansas City, Mo., effective December 1, 1920, was appointed for the unexpired term ending April 15, 1921. May 1, 1921, was appointed for a full term of six years ending April 15, 1927, and named Chairman of the Commission, vice William G. Busby, resigned. Died June 17, 1923; and

MERRILL E. OTIS, lawyer, of St. Joseph, Mo., effective June 23, 1923, was appointed for the unexpired term ending April 15, 1927, and named as Chairman of the Commission. Resigned, effective August 15, 1924.

WILLIAM G. BUSBY, Chairman, resigned, effective May 1, 1921; and

HUGH MCINDOE, lawyer, of Joplin, Mo., was appointed for the unexpired term, ending April 15, 1925. Died May 28, 1923; and

RICHARD H. MUSSER, lawyer, of Plattsburg, Mo., effective June 16, 1923, was appointed for the unexpired term ending April 15, 1925.

THOMAS J. BROWN, lawyer, of Charleston, Mo., effective June 13, 1923, was appointed for a term ending April 15, 1929,

*David E. Blair was elected Judge of the Supreme Court, Nov. 2, 1920.

vice Noah W. Simpson, whose term had expired April 15, 1923. Named Chairman of the Commission, effective August 30, 1924, to succeed Merrill E. Otis, Chairman, resigned, effective August 15, 1924.

ALMON ING, lawyer, of Poplar Bluff, Mo., effective January 14, 1925, was appointed for the unexpired term ending April 15, 1927, of Merrill E. Otis, resigned.

D. F. CALFEE, lawyer, of Jefferson City, Mo., was appointed January 15, 1925, for the unexpired term ending April 15, 1929, of A. J. O'Reilly, assuming the duties February 4, 1925.

S. M. HUTCHISON, lawyer, of Kansas City, Mo., effective April 15, 1925, was appointed for a term ending April 15, 1931, vice R. H. Musser, resigned.

J. H. PORTER, engineer, of St. Louis, Mo., effective June 26, 1925, was appointed for a term ending April 15, 1931, vice Edwin J. Bean, resigned.

Membership of the Commission for the period of time named:

From April 15, 1913, to July 3, 1913:

JOHN M. ATKINSON, Chairman;

JOHN KENNISH,

HOWARD B. SHAW,

FRANK A. WIGHTMAN.

From July 3, 1913, to November 18, 1914:

JOHN M. ATKINSON, Chairman;

JOHN KENNISH,

HOWARD B. SHAW,

FRANK A. WIGHTMAN,

WILLIAM E. WOERNER.

From November 18, 1914, to April 24, 1915:

JOHN M. ATKINSON, Chairman;

JOHN KENNISH,

HOWARD B. SHAW,

FRANK A. WIGHTMAN,

EDWIN J. BEAN.

From April 24, 1915, to May 1, 1916:

JOHN M. ATKINSON, Chairman;

JOHN KENNISH,

HOWARD B. SHAW,

EDWIN J. BEAN,
EUGENE MCQUILLIN.

From May 1, 1916, to February 21, 1917:

WILLIAM G. BUSBY, Chairman;
JOHN KENNISH,
HOWARD B. SHAW,
EDWIN J. BEAN,
EUGENE MCQUILLIN.

From February 21, 1917, to February 26, 1917:

WILLIAM G. BUSBY, Chairman;
JOHN KENNISH,
HOWARD B. SHAW,
EDWIN J. BEAN.

From February 26, 1917, to April 15, 1917:

WILLIAM G. BUSBY, Chairman;
JOHN KENNISH,
HOWARD B. SHAW,
EDWIN J. BEAN,
DAVID E. BLAIR.

From April 15, 1917, to August 23, 1920:

WILLIAM G. BUSBY, Chairman;
EDWIN J. BEAN,
DAVID E. BLAIR,
NOAH W. SIMPSON,
EDWARD FLAD.

From August 23, 1920, to December 1, 1920:

WILLIAM G. BUSBY, Chairman;
EDWIN J. BEAN,
NOAH W. SIMPSON,
EDWARD FLAD,
JOHN KENNISH.

From December 1, 1920, to May 1, 1921:

WILLIAM G. BUSBY, Chairman;
EDWIN J. BEAN,
NOAH W. SIMPSON,
EDWARD FLAD,
JOHN A. KURTZ.

From May 1, 1921, to October 11, 1921:

JOHN A. KURTZ, Chairman;
EDWIN J. BEAN,
NOAH W. SIMPSON,
EDWARD FLAD,
HUGH MCINDOE.

From October 11, 1921, to April 15, 1923:

JOHN A. KURTZ, Chairman;
EDWIN J. BEAN,
NOAH W. SIMPSON,
HUGH MCINDOE,
A. J. O'REILLY.

From April 15, 1923, to June 13, 1923:

JOHN A. KURTZ, Chairman;
EDWIN J. BEAN,
HUGH MCINDOE,
A. J. O'REILLY.

From June 13, 1923, to June 16, 1923:

JOHN A. KURTZ, Chairman;
EDWIN J. BEAN,
A. J. O'REILLY,
THOMAS J. BROWN.

From June 16, 1923, to June 17, 1923:

JOHN A. KURTZ, Chairman;
EDWIN J. BEAN,
A. J. O'REILLY,
THOMAS J. BROWN,
RICHARD H. MUSSER.

From June 17, 1923, to June 23, 1923:

EDWIN J. BEAN,
A. J. O'REILLY,
THOMAS J. BROWN,
RICHARD H. MUSSER.

From June 23, 1923, to August 15, 1924:

MERRILL E. OTIS, Chairman;
EDWIN J. BEAN,

A. J. O'REILLY,
THOMAS J. BROWN,
RICHARD H. MUSSER.

From August 15, 1924, to January 14, 1925:

THOMAS J. BROWN, Chairman;
EDWIN J. BEAN,
A. J. O'REILLY,
RICHARD H. MUSSER.

From January 14, 1925, to February 4, 1925:

THOMAS J. BROWN, Chairman;
EDWIN J. BEAN,
A. J. O'REILLY,
RICHARD H. MUSSER.
ALMON ING.

From February 4, 1925, to March 2, 1925:

THOMAS J. BROWN, Chairman;
EDWIN J. BEAN,
ALMON ING,
D. F. CALFEE,
RICHARD H. MUSSER.

From March 2, 1925, to April 17, 1925:

THOMAS J. BROWN, Chairman;
ALMON ING,
EDWIN J. BEAN,
D. F. CALFEE.

From April 17, 1925, to June 15, 1925:

THOMAS J. BROWN, Chairman;
EDWIN J. BEAN,
ALMON ING,
D. F. CALFEE,
S. M. HUTCHISON.

From June 15, 1925, to June 26, 1925:

THOMAS J. BROWN, Chairman;
ALMON ING,
D. F. CALFEE,
S. M. HUTCHISON.

From June 26, 1925, to December 1, 1926:

THOMAS J. BROWN, Chairman;

ALMON ING,

D. F. CALFEE,

S. M. HUTCHISON,

J. H. PORTER.

LEGAL DEPARTMENT.

This Department, constituted as heretofore, consists of the General Counsel, Assistant Counsel and one stenographer.

The following shows the nature of the proceedings had in the various suits begun, ending or disposed of during the period beginning December 1, 1925, and ending November 30, 1926, and which have been handled by this department.

1. **Union Electric Light and Power Company Case:** These cases, eight in number and of like character, were brought in the Circuit Court of Cole County, Missouri, in April, 1919, by certain large consumers of the company in the City of St. Louis to review and set aside an order of the Commission granting an increase to the company in rates for heat furnished. These cases were heard together on the 31st day of October, 1919. Later the Circuit Court set aside the orders of the Commission. Appeals were taken by the Commission and the Company. The cases were briefed and argued at the April term, 1921, of the Supreme Court, and by the Court decided for the Commission. Three of the eighteen cases are now pending in the Supreme Court of the United States.

2. **Capital City Water Company Case:** This is a suit by the Company owning the waterworks system in Jefferson City to review and set aside the orders of the Commission fixing the valuation of the company's property and also prescribing rates. At the time of the last report, this case was pending before the Supreme Court of the United States on a writ of error from the Supreme Court of Missouri. The Water Company, while this case was pending, made a new application to the Commission, a new order was issued by the Commission and on stipulations this case was dismissed in the Supreme Court.

3. **St. Joseph Gas Company Case:** This is a suit brought by the City of St. Joseph in the Buchanan County Circuit Court to review and set aside orders of the Commission prescribing charges for gas and making certain increases therein. The Circuit Court of Buchanan County set aside the order of the Commission. An appeal to the Supreme Court was taken and the case heard on appeal at the January call, 1922, before the Court en Banc. In July, 1922, a decision was rendered which set aside the order of the Commission. A motion for

rehearing was filed which was sustained. Upon the re-argument the Supreme Court again rendered a decision which set aside the order of the Commission. A second motion for a rehearing was filed and by the Court sustained. The case was re-argued and July 20th, 1925, the Supreme Court rendered a decision reversing the judgment of the trial court and remanding the case to that court with directions to set aside its judgment and to enter its judgment affirming the order of the Commission.

4. **Southeast Missouri Rate Case:** These suits, eight in number, were brought in the United States District Court by various railroad companies operating in what is known as Southeast Missouri. They were based upon a finding and order of the Interstate Commerce Commission in a proceeding before that Commission instituted by the Cairo Association of Commerce wherein it was held that the rates in Southeast Missouri constituted an undue discrimination against the Interstate Commerce and against the commerce of Cairo, Illinois.

An interlocutory injunction was granted, restraining the Commission from interference with the railroad companies, putting in increased rates as directed by the Interstate Commerce Commission. Answers were filed in these cases on behalf of the Commission. These cases have been briefed and argued, and a decision of the Federal Court granting injunction handed down.

5. **St. Joseph Gas Company Case:** This, a second suit, was brought by the City of St. Joseph to review certain orders made by the Commission subsequent to those in issue in the suit mentioned in paragraph No. 3. A return to the writ of review issued out of the Circuit Court of Buchanan County was made in due time. This case was not brought to trial because of the pendency of the suit above mentioned. Subsequent to the above decision this suit was dismissed.

6. **Louisiana Water Company Case:** This is a suit brought in May, 1922, in the United States District Court, by the Louisiana Water Company against the Commission seeking to enjoin the Commission from interfering with the company in putting in force higher rates for water service in the City of Louisiana, and particularly higher charges to the City of Louisiana for hydrant rentals.

A hearing of the application for an interlocutory injunction was had in Kansas City in May, 1922, and the Court granted an interlocutory injunction against the Commission. Upon the

suggestion of this Department the City of Louisiana has asked permission to intervene in the suit and an order was made by the United States District Court at its regular October term, 1922, permitting the City to intervene, file its answer to the bill of the company and take part of the defense of the case, as a formal party. This case was later tried and an order and decision rendered by the Court enjoining this Commission from interfering with the rates charged by the Water Company, from which judgment and order an appeal was taken by the Commission to the Supreme Court of the United States. On satisfactory adjustment this case was dismissed by stipulation in the Supreme Court.

7. **Citizens Gas Company Case:** This is a suit brought by the Citizens Gas Company of Hannibal, Missouri, against the Commission, in the United States District Court. The suit is founded upon the allegations that the valuation fixed by the Commission is unreasonably low and operates to confiscate its property and that the rates prescribed by the Commission to be charged by the Company are confiscatory. This suit was filed in June, 1922, but the application which the company made for an interlocutory injunction was not acted upon by the Court. Answer was filed by this department for the Commission in due time. The case was later tried, briefed and argued, and decided that the value fixed by the Commission was too low. For lack of funds this case could not be appealed.

8. **Springfield Gas Case:** This cause is now pending in the United States District Court and grows out of an application filed by the Company before the Commission, asking for certain valuations and rates. Upon this application, the order was later by the Commission made, fixing a valuation and prescribing rates which the Company contended were unjustly low and sought injunctive relief in the District Federal Court, on the constitutional grounds that the order of the Commission deprived the company of its property without due process of law. The cause has been tried in the Federal Court and the injunction granted. Motions for a rehearing and a plea to the jurisdiction of the court have been filed, briefed and submitted and case pending decision on these motions.

9. **Bevier & Southern Railroad Company Case:** This case, now pending in the United States District Court, grows out of an order of the Commission requiring the railroad company to install and operate a passenger train, from which order

of the Commission an injunction was sought, and a temporary one obtained, in the United States District Court. Case dismissed on stipulation.

10. **Kansas City Terminal Railway Company (Oak Street Viaduct Case):** This cause is a suit brought by the Kansas City Terminal Railway Company to review an order of the Commission, authorizing and ordering the Terminal Railroad Company to construct, at its own expense, a viaduct over its tracks at Oak Street in said City. Tried in the Cole County Circuit Court and from judgment affirming the order of the Commission appeal was taken to the Supreme Court of Missouri. The case was briefed, argued and submitted and the Court rendered decision setting aside the order of the Commission.

11. **Wabash Railway Company (Delmar Grade Crossing Case):** This case grows out of an application of the City of St. Louis for a separation of the grade at Delmar in the City of St. Louis, where said street is crossed at grade by the Wabash Railway Company. From an order of the Commission, separating said grade by means of a viaduct and apportioning the cost between the City and the Railroad Company, a writ of review was sued out by the railroad company against the Commission in the Cole County Circuit Court, which Court reversed the order of the Commission and remanded the cause. From this judgment of the Cole County Circuit Court, the Commission together with the City of St. Louis appealed to the Supreme Court of Missouri, where the case was briefed and argued and which court later by its decision reversed the Cole County Circuit Court and sustained the order of the Commission. From this decision of the Supreme Court of Missouri the railroad companies have sued out a writ of error to the Supreme Court of the United States, where the matter has been briefed and set for trial.

12. **West St. Louis Water and Light Company Case:** This case is now pending in the Supreme Court on appeal from an order of the Cole County Circuit Court, reversing an order of the Commission. This case has been briefed, argued and submitted to the Supreme Court.

13. **Kansas City Power and Light Company Case (Fuse Box Case):** This case grew out of an order of the Commission prohibiting the Light Company from requiring certain of its patrons in apartment houses to install the specific fuse box for purpose of obtaining electric current. From a judgment of the

Cole County Circuit Court sustaining the order of the Commission, appeal was perfected to the Supreme Court, where the case was briefed, argued and submitted. The Supreme Court by its decision, reversed the judgment of the Cole County Circuit Court and set aside the order of the Commission.

14. **Flood et al vs. Commission:** This case was pending in the Supreme Court of Missouri, seeking to review the legality of an order of the Commission with respect to certain telephone service. Dismissed on stipulation sustaining order of the Commission.

15. **St. Louis County Gas Company Case:** This case grew out of an order of the Public Service Commission requiring the Gas Company to render certain service to its patrons. The company appealed to the Circuit Court of the City of St. Louis, where the order of the Commission was set aside. The Commission appealed to the Supreme Court where the case was briefed, argued and submitted. The judgment of the Circuit Court was affirmed, setting aside the order of the Commission.

16. **Missouri Pacific Railroad Company (DeSoto Crossing Case):** This case originated by writ of review from the Cole County Circuit Court, seeking to set aside order of the Commission granting a crossing at grade in the City of DeSoto. Tried in the Cole County Circuit Court, judgment for plaintiff. After conference with the City of DeSoto, no further proceedings had in this case.

17. **C. R. I. & P. Railroad Company Case:** This case grew out of an order of the Public Service Commission authorizing an overhead crossing by public road over the tracks of the railroad company. On appeal to the Cole County Circuit Court, the order of the Commission was affirmed. The case was appealed to the Supreme Court, where the case was tried and the order of the Commission was affirmed.

18. **City of Kirkwood Case:** This is an injunction proceeding brought by this department on order of the Commission against the City of Kirkwood, asking that they be restrained from furnishing water service in unauthorized territory. This case was tried by the Circuit Court of the County of St. Louis and judgment rendered for the Commission.

19. **Short Line Railroad Company Case:** This case originated by writ of review sued out of the Circuit Court of Cole County, to review decision of the Commission refusing to grant certificate of convenience and necessity to the Short Line Com-

pany. This case tried in the Circuit Court, judgment affirmed order of the Commission, appealed to the Supreme Court by the railroad company. Case now pending.

20. **Southwestern Bell Telephone Case:** This case originated by writ of certiorari sued out of the St. Louis City Circuit Court by the City of St. Louis, to review order of the Commission valuing and fixing a rate for telephone service in the City of St. Louis. Tried by the Circuit Court, judgment sustaining the order of the Commission. Now pending on appeal to the Supreme Court.

21. **Rutledge Case:** This case originated by writ of review sued out against the Commission for refusing to order in a private crossing over the Missouri Pacific Railroad Company's tracks. Circuit Court of Cape Girardeau County entered judgment setting aside the order of the Commission. Appeal was perfected to the Supreme Court, whereafter trial judgment of the Circuit Court was reversed and case remanded.

22. **Vandalia Union Switchboard Case:** Writ of review sued out of the Audrain County Circuit Court to review order of the Commission. Tried by Circuit Court, judgment for the Commission.

23. **Public Service Commission vs. W. R. Holloway et al Webster County Case:** This is a mandamus suit brought by this department on order of the Commission to require the County Court of Webster County to comply with order of the Commission. County Court of Webster County having complied with the order of the Commission, case was dismissed at the expense of the County.

24. **Receivers C. & A. Railway Company:** This case grew out of an order of the Commission granting permission to effect an over-head crossing by a state highway over the tracks of the C. & A. Railroad Company. Case was tried in the Circuit Court of Cole County and judgment rendered sustaining the Commission. Appealed by the railroad to the Supreme Court, where, after trial, judgment of the Circuit Court was affirmed and order of the Commission was sustained.

25. **State ex rel. City of St. Joseph vs. Public Service Commission. Water Rates:** This case originated by writ of review sued out from the Cole County Circuit Court to review an order of the Commission establishing water rates in St. Joseph. Trial in the Circuit Court, judgment for the Com-

mission, appeal taken by the City to the Supreme Court, where case is now pending.

26. **Macon Telephone Company vs. Public Service Commission Involving Toll Rates Between Macon and Bevier.** Case originated by telephone company suing out writ of review in the Cole County Circuit Court, where, after return made by the Commission, the case was tried and judgment rendered sustaining the order of the Commission. Appeal taken by telephone company to the Supreme Court where case is now pending.

27. **State ex rel. Missouri Pacific vs. Public Service Commission:** Overhead crossing at Vulcan, Missouri. Case now pending in Supreme Court on appeal by railroad company from decision of the Circuit Court affirming order of the Commission.

28. **State ex rel. Missouri Pacific vs. Public Service Commission** (involving under-pass at Syracuse, Missouri): Now pending in the Cole County Circuit Court on writ of review.

29. **C. R. I. & Pac. vs. Public Service Commission** (involving under-pass at Cameron): Pending in Cole County Circuit Court on writ of review.

30. **State ex rel. Farmers Elevator Company vs. Public Service Commission** (involving grade crossing at Silex, Missouri, with the St. Louis & Hannibal Railroad): Writ of review to the Pike County Circuit Court. Case was tried and submitted, now awaiting decision by that court.

31. **State ex rel. Pugh vs. Public Service Commission** (involving suburban fares on Frisco Railroad into St. Louis): Case now pending in Circuit Court of the City of St. Louis on writ of review.

ENGINEERING DEPARTMENT

This department consisted of a chief engineer, six assistant engineers and one stenographer until December 1, 1925. This department now consists of a chief engineer, five assistant engineers and one stenographer.

The duties of the Engineering Department consist of:

(a). Appraisal of all properties over which the Commission has jurisdiction.

(b). All matters relating to investigation of accidents on steam and electric railways.

(c). All matters relating to protection, alteration and elimination of grade crossings.

(d). Inspection of steam and electric railway properties.

(e). Investigations to determine necessity and safety of switch and sidetrack connections.

(f). All matters relating to steam and electric railway signal systems and interlocking plants.

(g). All matters relating to steam and electric railway clearances.

(h). All matters relating to street railway traffic studies and service.

(i). Investigations relative to applications for certificate of convenience and necessity, filed by steam and electric railways.

(j). All drainage investigations.

(k). All investigations relative to filtration of water supplies, intakes, etc.

Appraisal of Property of Public Utilities

During the years 1925 and 1926, to December 1, the Engineering Department completed appraisals of the following properties:

Missouri Gas and Electric Service Company, Estimated Investment.....	\$1,222,901.00
The LaClede Gas Light Company, Estimated Investment..	33,589,131.00
Estimated Cost of Reproduction.....	53,848,128.00
Missouri Union Telephone Company, Clinton Exchange...	
Estimated Investment.....	160,162.00
Estimated Cost of Reproduction.....	209,259.00

Jackson County Light, Heat and Power Co., Estimated Investment.....	377,251.00
Estimated Cost of Reproduction.....	544,313.00
Joplin Water Works Company, Estimated Investment....	912,445.00
Estimated Cost of Reproduction.....	1,639,149.00
St. Louis County Water Company, Estimated Investment..	3,557,940.00
Estimated Cost of Reproduction.....	4,845,935.00
Memphis Telephone Company, Estimated Investment.....	29,894.00
Estimated Cost of Reproduction.....	43,313.00
Kahoka Telephone & Construction Co., Estimated Investment.....	59,786.00
Estimated Cost of Reproduction.....	88,457.00

An appraisal of the property of the Clinton County Telephone Company is now in progress.

Investigation of Accidents on Steam and Electric Railways.

Steam and electric railways are required to wire immediate report of accidents. These messages are followed by detailed report of accident. At the end of each month a summary of all accidents that have occurred during that month is filed with the Commission.

A careful investigation is made of all highway crossing accidents resulting in injury or death. The purpose of these investigations is to determine the cause and to apply corrective measures, rather than to fix the blame.

As a result of these investigations many highway grade crossings have been protected.

Protection, Alteration and Elimination of Grade Crossings.

Plans were approved for crossing bells on the Frisco Lines at Gulf Junction, Leeds, Mile Post 316.5, Hayti, Grand View, Republic, Williamson, Clarkton, Niangua and Purdy. Plans were approved for wig-wag signals on the Frisco Lines at Globe and Pacific and on the Missouri Pacific at Archie. Conditions surrounding proposed grade crossings on Frisco Lines near Grand View and near Raytown were investigated. Outlined design of reinforced concrete subway for City Engineer, Marshall.

Investigation of Signal Systems and Interlocking Plants.

Plans were approved for interlocking plants at East Bottoms, Kansas City, Murray, Amazonia, Machens, Illmo, Dodson, Louisiana, St. Joseph, Birmingham, Tower X and Tower 2 at St. Louis, and Hannibal.

Investigation of Safety and Adequacy of Service Rendered by Steam Railways. Prepared General Order No. 24, prescribing uniform clearances of bridges, viaducts, tunnels, overhead crossings, buildings, wires, etc.

Investigation of Adequacy of Service Rendered by Public Utilities. The telephone properties at Waverly and at Grand Pass and the electric property at Thayer were examined and recommendations made for improvement of service. Revised rules and regulations for rural service on lines of the Missouri Power & Light Company.

General: Members of the Engineering Department attended and participated in hearings and assisted the Commission in preparing reports and orders in many cases.

Analysis of Accidents: Compilation and analysis of the accident reports of the carriers to the Commission, disclose the following:

FIRST TEN MONTHS OF 1925.

	Steam.		Electric.		Total.	
	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.
Passengers.....	5	191	2	1,009	7	1,200
Employees.....	32	921	3	78	35	999
Trespassers.....	72	100	21	439	93	539
Non-trespassers.....	61	140		10	61	150
Totals.....	170	1,352	26	1,536	196	2,888

FIRST NINE MONTHS OF 1926.

	Steam.		Electric.		Total.	
	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.
Passengers.....	6	87		782	6	869
Employees.....	14	713		1	14	714
Trespassers.....	68	78	4	8	72	86
Non-trespassers.....	47	117		352	47	469
Totals.....	135	995	4	1,143	139	2,138

DEPARTMENT OF STATISTICS AND ACCOUNTS.

Fiscal Period November 1, 1924 to November 30, 1926. The Personnel of this Department from November 1, 1924 to April 27, 1926 consisted of a Chief Accountant, three expert Accountants, two Assistant Accountants, and a Statement Clerk. On April 27, 1926 one of the expert Accountants resigned and owing to our curtailed appropriation the Department functioned shorthanded during the balance of the biennial period. The regular activities of the Department are as follows:

1. Audit of books and records of Steam Railroads, Electric Railroads, Express Companies, Telephone Companies, Gas, Electric, Water and Heating Utilities, in order to ascertain Original Cost, Capitalization, Income, Expenditures, Operating Statistics and Rate of Return, to be used in Valuation, Capitalization and Rate-making cases.

2. Drafting Accounting Systems and forms of Annual Reports for Utilities.

3. Analyzing Accounting and Statistical exhibits and Evidence presented by Utilities in Valuation, Capitalization and Rate-making cases.

4. Compiling Financial and Operating data from Annual Reports of Missouri Utilities for other Commissions, Municipalities, Civic Leagues, Traffic Associations, Utilities, Brokers, Attorneys and Sundry Petitioners for such information.

5. Compiling Comparative Statistical data from Annual Reports of Utilities.

6. Examining and Recording verified semi-annual reports of realization from Bond and Stock issues authorized by the Commission and distribution of such proceeds.

7. Examine quarterly, semi-annual and annual exhibits of the Operating Results of companies operating under temporary rates with a view to determine whether such rates should be further extended or terminated.

8. Preparing, proof reading, mailing, receiving, acknowledging and filing Annual Reports of the various Utilities operating in the State of Missouri.

9. Attending hearings, testifying on Audits and assisting the Commission in the preparation of Reports and Orders in Valuation, Capitalization and Rate Cases.

10. Advising verbally and by correspondence the various Utilities in matters pertaining to Accounts and Statistics.

AUDITS MADE DURING THE PERIOD.

Union Electric Light and Power Company. (Subsidiaries acquired from Light and Development Co).

Missouri Power Company, Ste. Genevieve and vicinity.

Lafayette County Telephone Company, Lexington. South-western Bell Telephone Company, St. Louis Exchange. (Two Audits).

Capital City Water Company, Jefferson City, Mo.

Missouri Union Telephone Company, Clinton and vicinity.

Jackson County Light Heat and Power Company, Independence, Mo.

St. Joseph Water Company.

Jóplin Water Works Company.

F. B. Fields Telephone System, Chamois and vicinity.

Clinton County Telephone Company, Plattsburg and vicinity.

Missouri Gas and Electric Service Company, Lexington and vicinity.

Kahoka Telephone Company.

Laclede Gas Light Company, St. Louis.

Memphis Telephone Company.

West St. Louis Water and Light Company, St. Louis County.

City Light and Traction Company, Sedalia.

Missouri Hydro Electric Company, (Two Audits).

City Water Company of Sedalia.

United Railways Company of St. Louis.

COMPILING COMPARATIVE STATISTICAL DATA.

During the period covered this Department compiled much statistical data, gathered from the Annual Reports filed by Utilities and furnished same to Cities, States, Commissions, Brokers, Civic Bodies, Etc., at rates stipulated by the Public Service Commission Law.

STOCK, BOND AND NOTE AUTHORIZATIONS.

Utilities organized, existing or incorporated under the laws of Missouri may issue Stocks, Bonds, Notes and other evidences of indebtedness, payable at periods of more than twelve months after the date thereof, only after securing an order from the Commission authorizing such issue. The order specifies the amount of issue and the disposition of the proceeds. This Department examines all exhibits and documents presented and reports its recommendations to the Commission.

For the fiscal period covered in this report the Commission authorized the issuance of Stocks, Bonds and Notes as set out in the appended tables. The Commission requires semi-annual reports from Utilities of the sale of securities and disposition of the proceeds. These reports are checked in this Department in order to ascertain whether all stipulations set forth in the order are met.

GENERAL.

The Chief Accountant of the Commission is required to prepare memoranda in Rate Extension Cases, Bond, Stock and Note Issue Cases, and in some instances write the orders authorizing or denying the application. During the period covered memoranda or orders were prepared in many cases.

TABLE SHOWING ALL AUTHORIZATIONS GRANTED TO ISSUE STOCKS, BOND NOTES AND OTHER EVIDENCES OF INDEBTEDNESS UNDER THE PUBL. SERVICE COMMISSION LAW, FROM NOVEMBER 1, 1924, TO NOVEMBER 30, 1926.

No.	Name of Company.	Kind of Security.	Amount Allowed.	Date of Permit
2263	Kansas City Gas Co.	Bonds.	\$1,416,000.00	3-31-19
3115	Richards Telephone Co.	Note.	700.00	9-24-19
3168	Union Electric Light & Power Co.	Bonds.	12,122,000.00	12- 8-19.
3462	Hannibal Ry. & Electric Co.	Bonds.	13,300.00	11-15-19
4041	Hannibal Ry. & Electric Co.	Stock.	50,000.00	1- 6-19.
	Non Par.	Stock.	1,000 shares	
4058	Springfield City Water Co.	Bonds.	50,000.00	12-15-19
4109	Laclede Gas Light Co.	Notes.	3,000,000.00	6-30-19.
4135	Arkansas-Missouri Power Co.	Bonds.	33,600.00	1- 9-19.
4148	Lawrence County W. L. & C. S. Co.	Stock.	100,000.00	11- 6-19.
4161	Ozark Utilities Co.	Stock.	150,000.00	12- 8-19.
4176	Missouri Gas & Elec. Service Co.	Bonds.	600,000.00	12-15-19.
4187	Interurban Water Co.	Stock.	30,000.00	12-10-19.
4191	Public Service Co. of Missouri.	Bonds.	87,000.00	1-27-19.
	Non Par.	Stock.	2,150 shares	
4214	Independence Water Works Co.	Bonds.	425,000.00	1-21-19.
		Notes.	240,000.00	
4214	Independence Water Works Co.	Notes.	120,000.00	4-14-19.
4214	Independence Water Works Co.	Bonds.	450,000.00	10- 8-19.
4226	Public Service Co. of Missouri.	Bonds.	2,185,000.00	2-11-19.
		Stock.	937,000.00	
4231	Lafayette Telephone Co.	Stock.	23,000.00	4-23-19.
4234	Central Mo. Telephone Co.	Stock.	184,250.00	3- 4-19.
4248	Mo. Gas & Elec. Service Co.	Stock.	73,900.00	9- 4-19.
4250	K. C. Power & Light Co.	Bonds.	2,000,000.00	1-29-19.
4251	Missouri Power & Light Co.	Stock.	468,500.00	1-30-19.
4259	Perry County Telephone Co.	Stock.	35,000.00	2-26-19.
	Non Par.	Stock.	1,200 shares	
4260	West St. Louis Water & Light Co.	Bonds.	600,000.00	3- 6-19.
4262	Hannibal Ry. & Electric Co.	Notes.	20,190.00	2-26-19.
4279	City Water Co. of Sedalia.	Bonds.	1,000,000.00	4-16-19.
4279		Notes.	900,000.00	
4297	St. Joseph Transmission Co.	Stock.	20,200.00	6-18-19.
4334	Springfield City Water Co.	Stock.	700,000.00	4-16-19.
4353	Citizens Mutual Telephone Co.	Stock.	7,500.00	7-16-19.
4355	Arkansas-Missouri Power Co.	Bonds.	970,000.00	5-14-19.
4366	Gasconade Power Co.	Stock.	64,000.00	6-18-19.
	Non Par.	Stock.	824 shares.	
4367	Ozark Southern Ry.	Bonds.	85,000.00	5-11-19.
4373	Mo. Power and Light Co.	Stock.	567,500.00	6- 2-19.
4396	Mo. Gas & Elec. Service Co.	Stock.	28,700.00	6-17-19.
4408	Raytown Water Co.	Stock.	50,000.00	7- 6-19.
4415	Kansas City Public Service Co.	Stock.	25,000.00	7-10-19.
4432	Kansas City Terminal Ry. Co.	Bonds.	16,908,000.00	7-28-19.
4442	East Mo. Power Co.	Stock.	58,000.00	8- 4-19.
	Par.	Stock.	100,000.00	9- 9-19.
4452	Mo. Power & Development Co.	Non Par.	1,500 shares	
4456	Mo. Edison Co.	Bonds.	100,000.00	7-27-19.
		Stock.	50,000.00	
4462	Mo. Power & Light Co.	Bonds.	6,500,000.00	8- 3-19.
		Stock.	600,000.00	
4465	Alton Grain Elevator Co.	Bonds.	350,000.00	8- 3-19.
4470	Mo. Gas & Elec. Service Co.	Stock.	5,700.00	9- 9-19.
4474	Mo. Gas & Elec. Service Co.	Stock.	107,900.00	9- 4-19.
4481	Hemple Electric Co.	Stock.	2,000.00	9-21-19.
4538	Cape Girardeau Bell Tele. Co.	Stock.	50,000.00	9-28-19.
4542	Trenton Gas & Elec. Co.	Debentures.	450,000.00	9-30-19.

TABLE SHOWING ALL AUTHORIZATIONS GRANTED TO ISSUE STOCKS, ETC.--
Continued.

No.	Name of Company.	Kind of Security.	Amount Allowed.	Date of Permit.
4590	Noel Mill & Elev. Co.	Bonds...	\$15,000.00	11- 9-1925
4593	Capital City Tele. Co.	Non Par. Stock...	3,000 shares	11-19-1925
4596	Kansas City Public Service Co.	Bonds...	12,465,200.00	9-29-1926
	Non Par.	Stock...	265,969.4 shares	
4619	St. Louis County Water Co.	Bonds...	2,800,000.00	1- 7-1926
	Non Par.	Stock...	28,000 shares	
4623	Mo. Gas & Elec. Service Co.	Bonds...	112,000.00	12-19-1925
4625	Union Elec. Light & Power Co.	Stock...	10,500,000.00	12-29-1925
4627	Clinton County Telephone Co.	Bonds...	50,000.00	2- 1-1926
4645	Ark.-Missouri Power Co.	Bonds...	348,500.00	2-18-1926
4646	St. Louis County Gas Co.	Stock...	500,000.00	1- 6-1926
4647	Mo. Electric Power Co.	Bonds...	336,000.00	1-21-1926
	Non Par.	Stock...	125,000.00	
		Stock...	1,000 shares	
4648	Gasconade Power Co.	Stock...	17,600.00	1-27-1926
4665	Mo. Power and Light Co.	Stock...	265,000.00	1-27-1926
4677	Austin Inland Tele. Co.	Bonds...	25,000.00	2- 1-1926
4682	St. Louis-San Francisco Ry. Co.	Notes...	5,000,000.00	1-26-1926
4717	Independence Water Works Co.	Stock...	184,300.00	3-26-1926
	Non Par.	Stock...	3,217 shares	
4718	Ozark Public Service Co.	Stock...	50,000.00	3-18-1926
4723	United Utilities Corporation.	Bonds...	142,500.00	4- 2-1926
		Stock...	37,500.00	
	Non Par.	Stock...	2,000 shares	
4746	East Mo. Power Co.	Bonds...	150,000.00	4-16-1926
4749	Ozark Utilities Co.	Bonds...	350,000.00	5-22-1926
4760	Scotia Telephone Co.	Stock...	500.00	4-16-1926
4770	Mo. General Utilities Co.	Stock...	10,000.00	4-26-1926
4788	Mo. General Utilities Co.	Bonds...	225,000.00	5-27-1926
4791	Mo. Gas & Elec Service Co.	Stock...	10,100.00	6- 8-1926
4804	Scotia Telephone Co.	Stock...	129,000.00	6-16-1926
4823	St. Louis Public Service Co.	Stock...	15,000.00	6-25-1926
4833	Mo. Power and Light Co.	Stock...	167,500.00	7-26-1926
4857	Southwestern Bell Tele. Co.	Stock...	25,000,000.00	7-13-1926
4858	To Middle States Utilities Co.	Stock...	75,000.00	9- 9-1926
4865		Bonds...	250,000.00	
4904	Ark.-Missouri Power Co.	Bonds...	600,000.00	9-13-1926
4923	Osage County Telephone Co.	Non Par. Stock...	300 shares	9-10-1926
4977	Springfield City Water Co.	Bonds...	345,000.00	10-26-1926

Total Bonds, Notes, etc.	\$73,839,990.00
Total Par Stock	41,574,650.00
Total Non Par Stock (Shares)	310,160.4

GAS, ELECTRIC, HEAT AND WATER DEPARTMENT.

The work of this Department is at present carried on by its Chief and one Stenographer.

The duties of this Department are as follows:

First: The keeping of an accurate official record of all corporations and municipalities furnishing gas, electric, heating or water service in this State which come under the jurisdiction

of the Commission in accordance with the definitions provided by the Public Service Commission Law.

Second: Attention to all correspondence and verbal requests for information coming before the Commission on matters pertaining to the business of furnishing gas, electric, heating or water service and allied technical subjects in general.

Third: Adjustment of all correspondence complaints involving gas, electric, heating or water service.

Fourth: The filing of the schedule of rates of gas, electric, heating and water utilities.

Fifth: General inspection and test of service meters.

Sixth: General supervision of matters pertaining to quality of equipment of gas, electric, heating and water utilities in so far as the public interest, public health and protection of the public and employees are concerned.

Seventh: Analysis in conjunction with the Accounting Department of all operating reports as required by this Commission's orders allowing temporary rates, from which analyses appropriate orders are made up, relative to continuing or changing temporary rates as allowed by this Commission.

Eighth: To attend hearings, offer testimony and make investigations when necessary, in all matters before the Commission involving permits for electric transmission lines, inductive interference controversies and transfers of utilities, and other formal cases before the Commission relating to standards, adequacy and extensions of utility service.

The Head of this Department attended hearings in Two Hundred Twenty-nine (229) Cases.

The following investigations and inspection trips were made by the Head of this Department.

St. Louis: Made investigation of complaint made by Bay Brothers Lumber Company, St. Louis, Missouri.

Columbia: Made investigation of rates for power and lighting at Columbia, Missouri.

Columbia: Made test of power plant to determine costs of operations at Columbia, Missouri. This test resulted in a reduction of 10% in lighting rates and a reduction in power rates to large consumers.

Aurora: Made investigation of electric light and power service, also, metering and billing practices at Aurora, Missouri.

This Department checked over and filed, and in many instances, made up new reduced schedules as follows:

Electric—Five Hundred Thirty (530).

Gas—Thirty-seven (37).

Water—Ten (10).

Steam Heating—Two (2).

TELEPHONE AND TELEGRAPH DEPARTMENT.

This department, constituted as heretofore, consists of a chief and one assistant. The duties are as follows:

First: The keeping of an accurate official record of all corporations or individuals, furnishing telephone or telegraph service in this state doing business for hire. The records consist of rate schedules showing rates charged for service, and rules for the conducting of their business.

Second. The handling of all correspondence and verbal requests for information that come before the Commission on matters pertaining to telephone and telegraph service and the adjustment of all matters pertaining thereto.

Third. General supervision of matters pertaining to the quality and quantity of telephone and telegraph service.

Fourth. General supervision of the operation of the plants by the telephone and telegraph companies in so far as they pertain to the public interest, health and protection of the public and employees.

Fifth. Attending all public hearings held in the office of the Commission, giving such testimony as is necessary, and as special examiner holding such hearings as are delegated to it by the Commission, and the preparing of reports and orders in cases where the Commission delegates the same to this department.

During the period covered by this report this department attended all telephone and telegraph hearings held in the office of the Commission, and wrote reports and orders in a large number of cases.

There were 433 informal complaints handled by this department. An informal case is one where a public hearing is not held but the entire affair is handled by correspondence and no order issued. But in most cases it is only necessary to furnish information to the telephone users, many of the cases being controversies between the subscribers themselves.

Investigations were made by inspection of the telephone plants at Salisbury, Missouri; Kahoka, Missouri; Memphis, Missouri; and Malta Bend, Missouri, on account of complaints having been filed by subscribers against the service as furnished. Report of the conditions in each case was made to the Commission.

The department handled 173 formal cases.

As special examiner the chief of this department held a hearing and wrote the report and order in Case No. 4198, M. D. Porter et al. vs. Vandalia Union Switchboard Company. The telephone company carried the case to the circuit court, who in turn approved of the order issued by the Commission.

There are 1,300 telephone companies operating in the State of Missouri and furnishing service to more than 700,000 subscribers. Many of these companies are small ones and furnish service in rural communities, and much of the work of this department is occasioned by controversies existing between the subscribers and the officers of the companies for the reason that most of the lines and instruments of these companies are owned and maintained by the subscribers themselves.

TRANSPORTATION DEPARTMENT.

This department handles informal complaints involving the service, facilities, rates, rules and practices of the railroad and express carriers in the state. It files all freight, express and passenger tariffs containing the rates, fares, rules and practices of these common carriers between points in Missouri. It prepares and presents evidence on behalf of all interests of the State in investigations and other proceedings before the Interstate Commerce Commission and this Commission, maintains a file of current tariffs for quoting freight and passenger rates lawfully applicable in Missouri, compiles statistics covering railroad operation from annual reports submitted to the Commission annually by the carriers, reviews all new tariffs filed by common carriers containing changes in rates, advising the shipping public where practicable of important changes.

During the biennial period ending November 30, 1926, there have been numerous proceedings before the Commission involving railroad freight and passenger rates in Missouri, a few of which were exceptionally important. In case No. 4233 a basis for determining maximum rates on asphalt coated crushed stone

manufactured in the Webb City, Joplin District was established, which basis has now been voluntarily adopted by the carriers from other manufacturing districts, both as to state and interstate traffic.

In case No. 4111 the Commission found unreasonable advanced class rates published by the railroads serving southern Missouri and suggested as reasonable maximum rates a scale which was also found reasonable in the same territory by the Interstate Commerce Commission, thereby affecting a basis for uniform state and interstate rates. The uniform basis has not as yet been published by the carriers in southern Missouri.

In case No. 4127 reasonable maximum joint rates were established on egg case material from Caruthersville to points in northern Missouri on a basis that resulted in numerous reductions.

In case No. 4637 the Commission prescribed a basis of rates for sewer pipe, drain tile, wall coping, etc., in straight or mixed carloads, on a basis 90% lower than class "E," which basis the carriers have accepted and published, resulting in general reductions of rates on these commodities. Numerous other cases were decided by the Commission involving rates and service between particular points resulting in increased facilities or lower rates. The Transportation Department participated on behalf of the State of Missouri in numerous cases before the Interstate Commerce Commission involving rates between Missouri points and points outside of the state. Some of these proceedings have been very important, there having been a general investigation by the Interstate Commerce Commission involving an application by the railroads for a general advance in their freight rates within all of that territory in the United States west of the Mississippi River and Chicago. A large number of exhibits and considerable testimony was offered by the Commission's Transportation Department in this proceeding. The Interstate Commerce Commission denied the carriers any advances as to commodities and has continued its investigation so far as certain of the class rates are concerned for further inquiry. The further proceeding will be had at Omaha, Nebraska, beginning January 25, 1927.

Another important proceeding which has not yet been decided involves the rates charged for switching at junction points in southern Missouri where shipments originate or terminate on a railroad other than the one receiving the road haul

to or from that junction point. The charges at present range from \$2.70 to \$3.60 per car as a general rule and the railroads published tariffs increasing these charges to \$6.30 per car. This Commission, upon protest by certain shippers, suspended these rates from becoming effective. The Interstate Commerce Commission likewise suspended certain of the increased rates. Hearing has been had but final decision has not yet been reached by either Commission. The rates applicable on carload shipments of cement between points in Missouri are before the Commission for review in Case No. 4719. Complaints were also filed with the Interstate Commerce Commission by cement mills located in Kansas and Oklahoma alleging that the Missouri state rates were unreasonable and discriminatory. The Interstate Commerce Commission and this Commission will conduct a joint hearing in December, 1926, and will co-operate in fixing reasonable and non-discriminatory rates for the future.

The switching rates of the Wabash Railway Company in St. Louis, Missouri, are before the Commission for review in Case No. 4570. The Wabash Railway Company and its agents filed tariffs containing advances in certain switching rates at St. Louis and upon complaint of shippers who would be materially affected by these advances this Commission suspended all such rates from becoming effective for a period of 120 days and upon similar complaints the Interstate Commerce Commission suspended the interstate application of these rates. Joint hearing was had at St. Louis by the two Commissions in December 1925. The advanced rates have not yet become effective and the Commissions are negotiating with a view to prescribing reasonable maximum rates for the future. The Transportation Department prepared and presented numerous exhibits and much testimony on behalf of Missouri interests in a proceeding before the Interstate Commerce Commission involving grain rates to the north east portion of the United States. The Minneapolis and St. Louis Railway Company and the Minneapolis, St. Paul and Saulte Ste. Marie Railway Company filed tariffs with the Interstate Commerce Commission reducing their rates on grain and grain products from Minneapolis and St. Paul, Minnesota, to these eastern destinations 6 1-2 cents per 100 pounds without providing similar reductions from St. Joseph, Kansas City, St. Louis and other Missouri cities. Because of the damage to Missouri cities by reason of the lowering of rates from the Minneapolis market without similar treatment of the Missouri mar-

kets the southwestern wheat raisers would be discriminated against. While the Missouri Commission did not oppose the reduction in rates from Minneapolis it vigorously protested the failure to give similar consideration to the Missouri producing territories.

During the year 1926 the Interstate Commerce Commission has completed its investigation involving brick rates in the southwest and has prescribed for southern Missouri a scale of brick rates similar to that established from Mason City, Iowa to points in Iowa and Minnesota. This change resulted in numerous advances in brick rates in southern Missouri. The Missouri Commission, however, arranged for the publication of rates on common brick on a basis 80% of the scale prescribed by the Interstate Commerce Commission for application in Missouri where the distance hauled is 150 miles or less. There have been numerous other cases before the Interstate Commerce Commission in which this Commission's Transportation Department has presented evidence and testimony which involved particular rates or service in limited areas or in particular cities.

REPORTS OF THE COMMISSION.

The Commission has to date issued fourteen bound volumes of its regular reports. Volume XV is now in the hands of the printer and will be ready for distribution within a few days. The Commission has also compiled and published a digest of the first eleven volumes of the reports. This digest (one volume) is divided into two parts: (1) a digest of cases reported; and (2) the Missouri Public Service Commission Law. Both the digest of decisions and reports, and the digest of the law are annotated.

In these reports will be found the important reports and orders of the Commission for such period.

A great number of cases are docketed and handled as "informal cases," which are not included in the published reports. Many other matters are handled through correspondence and in conference and by the several departments in the regular course of business, and are disposed of without being placed on the docket.

The bound volumes of the Commission and the digest are furnished at \$2.50 per volume.

FEES COLLECTED.

In accordance with the provisions of Section 21 of the Public Service Commission Law, Section 10430 of the Revised Statutes of Missouri, 1919, this Commission has collected and paid into the State Treasury, since November 30, 1924, up to December 1, 1926, the following amounts:

December, 1924.....	\$3,828.91
For the year 1925.....	67,706.97
For the first eleven months of 1926.....	55,579.83
Total.....	\$127,115.71

This amount was collected for the following accounts:

Audits and Appraisals.....	\$85,018.74
Fees for Bond Issues.....	34,126.30
Miscellaneous.....	7,970.67
Total.....	\$127,115.71

T. J. BROWN, Chairman,
ALMON ING,
D. F. CALFEE,
S. M. HUTCHISON,
J. H. PORTER, Commissioners.